

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 14, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Downey, who was excused

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Information regarding the Governmental Ethics Commission Fee Fund as requested during the February 11 meeting, specifically the historical trend of balances in FY 97 and estimated receipts through FY 2004, was distributed to members. (Attachment 1)

The Chairman pointed out that Senator Downey's signature was not on the subcommittee reports that were being reviewed because she was away from the Capitol. She had indicated to the Chairman that she had prepared a minority report for the subcommittee report which she opposed.

Senator Lawrence reviewed the FY 2001 subcommittee report on the **Legislature** (Attachment 2) In response to an inquiry regarding the remodeling of Room 143-N in the Statehouse, Jeffrey Russell, Director, Legislative Administrative Services, stated that \$500,000 would cover the costs associated with remodeling and converting the room into a modern hearing room and the architectural plans, furniture, and relocation of the current Senators' offices into new space. Mr. Russell told members that the purpose of the ceremonial room (which is part of the Secretary of State's old space in the Statehouse) will be for dignitaries to have press conferences and is not included in the \$500,000 estimate.

In response to a question, staff indicated that the effect of not appropriating \$200,000 for redistricting (item 2) could delay the timetable that's been established, and that could have an impact on whether the information is available for the Legislature in the 2002 Session. Senator Salisbury inquired whether there would be any funds available in the legislative budget to acquire the software for this project. A member of the Research Department noted that the largest single factor providing flexibility in the budget is the length of the session and stated that the budget assumes a 90 day session. A long session would affect resources available for purposes like this.

Senator Lawrence reviewed the FY 2001 subcommittee report on the **Kansas Legislative Research Department**. (Attachment 3) Senator Petty inquired where computer related expenses for the agency appear in the budget. Staff indicated that there are three computer related staff positions within the agency, but the software and capital needs are reflected in the Legislature's budget.

The FY 2001 subcommittee report on the **Legislative Division of Post Audit** was presented by Senator Lawrence. (Attachment 4) In answer to a question regarding computer related expenses, staff indicated that the agency has one computer staff position and capital and software needs are reflected in the Legislature's budget.

The subcommittee report for FY 2001 for the office of the **Revisor of Statutes** was reviewed by Senator

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

Lawrence. (Attachment 5) In response to the same question regarding computer related expenses, a representative of the Revisors' staff stated that the agency has 2 full time computer positions and part of the costs associated with capital and software are reflected in the Legislature's budget as well as in the Revisor of Statutes' budget.

Senator Lawrence presented the FY 2001 subcommittee report on the **Legislative Coordinating Council**. (Attachment 6) There were no questions.

It was moved by Senator Morris and seconded by Senator Lawrence that the FY 2001 subcommittee reports for the Legislative agencies (Legislature, Kansas Legislative Research Department, Legislative Division of Post Audit, Revisor of Statutes, and the Legislative Coordinating Council) be adopted. The motion carried on a voice vote.

Senator Lawrence presented the FY 2001 subcommittee reports on the **Governor** (Attachment 7) and on the **Lieutenant Governor**. (Attachment 8) There was some discussion regarding where the salary monies for the Lieutenant Governor are reflected. It was noted that the Lt. Governor's salary is budgeted for in the Department of Commerce but \$10,000 and an FTE position is reflected in the Secretary of State's budget in the event the Lt. Governor should stop serving as a Cabinet officer. Other positions which are funded in the budget of the Lieutenant Governor are an administrative assistant, a secretary/receptionist and an unclassified temporary position. A motion to adopt the FY 2001 subcommittee reports on the Governor and Lieutenant Governor was offered by Senator Lawrence and seconded by Senator Ranson. The motion carried on a voice vote.

The FY 2001 subcommittee report on the **Secretary of State** was presented by Senator Lawrence. (Attachment 9) In response to a question regarding the request for census personnel, it was noted that the Secretary of State provides the census numbers for the person who does the redistricting, and the subcommittee believed that the agency could find money within their budget for these positions. In response to a concern, staff indicated that most of the 33.8% decrease in the agency's budget is because of the cancellation of the presidential primary in the current year.

Senator Lawrence reviewed the FY 2001 subcommittee report on the **Attorney General**. (Attachment 10) She read a memo from Donald Pitts, the Assistant Attorney General on the Attorney General's staff who monitors the water litigation case, stating that the Attorney General's office would comply with the subcommittee's recommendation to ensure a high quality of water as much as they can. In answer to a question, a representative from the Attorney General's office stated that water quality is not a specific issue in the Arkansas River compact, but there is a possibility that a River Master will monitor compliance with the Supreme Court's final order in the future.

The FY 2001 subcommittee report on the **State Treasurer** was presented by Senator Lawrence. (Attachment 11) Chairman Kerr read the minority report on behalf of Senator Downey. (Attachment 11-4) There was a question about whether the transfer of local sales tax in the Department of Revenue was based on estimates or actual receipts. Staff reviewed the demand transfers to the County-City Revenue Sharing Fund and to the Local Ad Valorem Tax Reduction Fund, and it was noted that the cumulative reduction of the Governor's recommendation and the growth that would have occurred totals \$17.5 million.

Senator Lawrence reviewed the FY 2001 subcommittee report of the **Insurance Department**. (Attachment 12) In response to a question regarding the subcommittee recommendation to add monies for the imaging system, Janet Chubb, a representative of the Secretary of State's office, told members that this notary project is an additional project and is not part of the other two systems previously requested. The money would pay for hardware and software for the program.

It was moved by Senator Lawrence and seconded by Senator Morris that the subcommittee reports for the Attorney General, the Secretary of State, the Insurance Department and the State Treasurer be adopted. The motion carried on a voice vote.

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

Senator Lawrence presented the FY 2001 subcommittee report on the **Health Care Stabilization Fund**. (Attachment 13) In answer to questions, Bob Hayes, Executive Director of the Health Care Stabilization Fund, stated that the ending balance in the HCSB was \$203 million in FY 98, \$201 million in FY 99 and is actuarially projected to be \$187.2 million for each of the next three fiscal years. He stated that receipts last year were \$9.9 million and \$11.5 million is anticipated this fiscal year. He told members that the expenditure estimate of \$30 million is based on actuarial projections, but the agency believes actual payments will be less. In answer to the Chairman, Mr. Hayes stated that the fund is invested through the Pooled Money Investment Board. The Chairman noted that the Committee might want to review legislative policy on the investment of this money.

Senator Lawrence offered a motion to adopt the FY 2001 subcommittee report on the Health Care Stabilization Fund. The motion was seconded by Senator Salisbury and carried on a voice vote.

It was moved by Senator Gilstrap and seconded by Senator Jordan that the minutes of the February 10 meeting be approved. The motion carried on a voice vote.

The Chairman announced that the regularly scheduled meeting time for Ways and Means on Thursday, February 17 would be reserved for subcommittees. He adjourned the meeting at 12:15 p.m. The next meeting will be February 15, 2000.

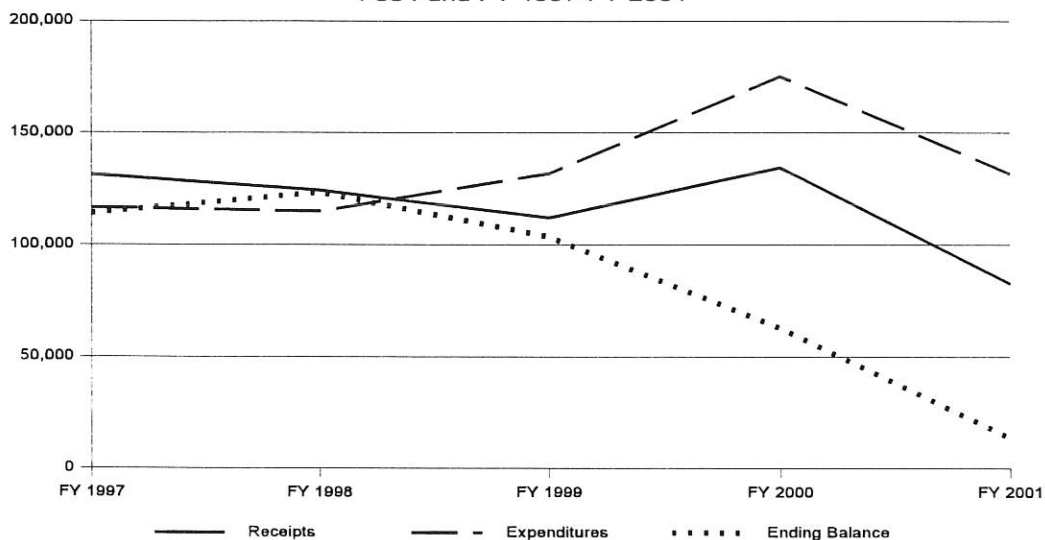
**Fee Fund Information
Governmental Ethics Commission**

Historical Trend - FY 1997-FY 2001

Resource Estimate	Actual FY 1997	Actual FY 1998	Actual FY 1999	Leg. Rec. FY 2000	Gov. Rec. FY 2001
Beginning Balance	\$ 99,546	\$ 114,150	\$ 123,391	\$ 103,555	\$ 62,723
Net Receipts	131,232	124,216	112,070	134,465	82,628
Total Funds Available	\$ 230,778	\$ 238,366	\$ 235,461	\$ 238,020	\$ 145,351
Less: Expenditures	116,628	114,975	131,816	175,297	131,692
Less: Nonreportable Expenditures	0	0	90	0	0
Ending Balance	<u>\$ 114,150</u>	<u>\$ 123,391</u>	<u>\$ 103,555</u>	<u>\$ 62,723</u>	<u>\$ 13,659</u>
Ending Balance as Percentage of Expend.	97.9%	107.3%	78.6%	35.8%	10.4%

Governmental Ethics Commission

Fee Fund FY 1997-FY 2001



Agency Estimated Receipts through FY 2004

Source	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate
Candidates	\$ 11,860	\$ 54,540	\$ 6,090	\$ 30,260	\$ 6,090	\$ 54,120
PACs	25,875	20,825	22,675	20,825	22,675	20,825
Lobbyists	69,120	59,100	59,100	59,100	59,100	59,100
TOTAL	<u>\$ 106,855</u>	<u>\$ 134,465</u>	<u>\$ 87,865</u>	<u>\$ 110,185</u>	<u>\$ 87,865</u>	<u>\$ 134,045</u>

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment # *1*

Senate Subcommittee Report

Agency: Legislature

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 1624

Budget Page No. 337

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 13,661,066	\$ 12,131,130	\$ (60,990) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 13,661,066</u>	<u>\$ 12,131,130</u>	<u>\$ (60,990)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 13,661,066</u></u>	<u><u>\$ 12,131,130</u></u>	<u><u>\$ (60,990)</u></u>
State General Fund:			
State Operations	\$ 13,527,066	\$ 11,997,130	\$ (60,990) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 13,527,066</u>	<u>\$ 11,997,130</u>	<u>\$ (60,990)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 13,527,066</u></u>	<u><u>\$ 11,997,130</u></u>	<u><u>\$ (60,990)</u></u>
Other Funds:			
State Operations	\$ 134,000	\$ 134,000	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 134,000</u>	<u>\$ 134,000</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 134,000</u></u>	<u><u>\$ 134,000</u></u>	<u><u>\$ 0</u></u>
FTE Positions	33.0	33.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>33.0</u></u>	<u><u>33.0</u></u>	<u><u>0.0</u></u>

* Excluding the adjustment for the Governor's pay plan (\$166,990) all from the State General Fund), the change by the Subcommittee would be an increase of \$106,000 all from the State General Fund.

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment #

2

AGENCY OVERVIEW

The legislative power of the State of Kansas is vested in a House of Representatives (125 members) and a Senate (40 members). The budget for this agency finances the operations of the House and the Senate, joint expenses, legislative claims, special maintenance and repair expenses, special expenses authorized by the Legislative Coordinating Council, and the retirement program for session only employees of the Legislature.

Agency Request/Governor's Recommendation

The agency request for FY 2001 operating expenditures totals \$13,661,066, an increase of \$1,472,881 or 12.1 percent above the agency's revised FY 2000 estimate. The agency requests:

- **State General Fund:**
 - \$13,527,066 or 99.0 percent of the request
- **Other Funds:**
 - \$134,000 or 1.0 percent from the Legislative Special Revenue Fund
- **Salaries and Wages:**
 - \$6,837,855 for legislator and staff compensation, including 33.0 FTE positions
 - Legislator compensation is based on \$73.00 per day in FY 2001, while the FY 2000 compensation rate is \$74.58 per day.
 - An additional 1.0 FTE position is requested in FY 2001 for the legislative computerization project.
- **Other Operating Expenditures:**
 - \$6,823,211 for other operating expenditures, which is an increase of \$1,300,689 or 23.6 percent above the agency's FY 2000 estimate
 - The request includes funding of \$1.2 million for costs associated with preparing for the legislative, congressional, and State Board of Education redistricting
 - The request also includes \$500,000 for remodeling of Room 143-N in the Statehouse into a committee room.
 - The request includes \$30,000 for the Legislative orientation program for new members of the Legislature.

The Governor recommends FY 2001 operating expenditures of \$12,131,130 or \$1,529,936 less than the agency requested.

- **State General Fund:**
 - \$11,997,130 or \$1,529,936 less than the agency requested
 - The recommendation is a reduction of \$57,055 or 0.5 percent below the Governor's revised FY 2000 recommendation
- **Other Funds**
 - The Governor concurs with the agency's request for expenditure of \$134,000 in all other funds (Legislative Special Revenue Fund)
- **Salaries and Wages**
 - \$6,698,542 for legislator and staff compensation and 33.0 FTE positions
 - The amount is a reduction of \$139,313 from the agency request
 - The Governor does concur with the addition of 1.0 FTE position for the legislative computerization project.
 - The Governor does recommend \$166,990 (State General Fund) for a 2.5 percent unclassified merit increase, that includes legislators.
- **Other Operating Expenditures**
 - The Governor recommends \$5,432,588 for other operating expenditures, which is \$1,390,623 less than the agency requested.
 - The Governor does recommend \$500,000 for congressional and legislative redistricting in the budget, which \$0.7 million less than the agency requested.
 - The Governor does not recommend the requested funding for the remodeling of Room 143-North in the Statehouse into a committee room.
- **The Governor concurs** with the requested funding the legislative orientation program.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustments and comments:

1. Delete \$166,990 (all from the State General Fund) based on the recommendation to delete funding for the Governor's recommended pay plan adjustments (2.5 percent unclassified merit pool).
2. Add \$106,000 (all from the State General Fund) for a \$5.00 per day increase, from \$80 to \$85 per day, for legislator daily subsistence that was effective on January 1, 2000. The daily legislator per diem expense allowance is statutorily tied to the per diem expense amount allowable under federal law and regulations for federal executive branch employees while serving away from home and in Topeka. The last increase in the daily legislator per diem expense amount was January 1, 1997, when the

rate increased from \$79 per day to \$80 per day. The Subcommittee notes that the FY 2001 Legislature's budget was prepared and the Governor's recommendation is based on \$80 per day, since the federal government does not give any advance notice of a change in the per diem expense allowance for federal employees.

3. The Subcommittee notes for further review during omnibus, the possible addition of \$200,000 (State General Fund) in FY 2001, \$415,000 in FY 2002 and \$76,000 in FY 2003 to fully fund the revised projected costs associated with preparing for the legislative, congressional, and State Board of Education redistricting which will occur in the 2002 Session. The agency had initially requested \$1.2 million in FY 2001 for redistricting costs (consultants, computer software, training, etc.). Since that initial request, bids have been solicited, negotiations have been completed and the latest estimate (as of February 3, 2000) for redistricting is \$700,000 in FY 2001, \$415,000 in FY 2002 and \$76,000 in FY 2003. The Governor has recommended \$500,000 in FY 2001 for the redistricting project. The Subcommittee believes that it is vital that the redistricting project stay on schedule if all the components are going to be in place to successfully complete redistricting in the 2002 Session for all legislative districts, all Kansas congressional districts, and all State Board of Education districts.
4. The Subcommittee notes for further review during omnibus, the possible addition of \$500,000 (State General Fund) in FY 2001 for remodeling of Room 143-North in the Statehouse from Senate offices into a committee hearing room. The Subcommittee notes that the Secretary of State has vacated the Statehouse in January, 2000. If an appropriation is not made by the 2000 Legislature, the vacated Secretary of State space will remain largely vacant for another fiscal year. The Subcommittee notes that the Statehouse Historic Structures Report that was funded by the 1999 Legislature should be completed by March, 2000. This report should help provide direction on Statehouse repair, renovation, and restoration. The Subcommittee believes that as responsible stewards of the Statehouse, it is the Legislature's obligation to maintain the Capitol Building for future generations.



Senator Barbara Lawrence, Chairperson

Senator Christine Downey

Senate Subcommittee Report

Agency: Kansas Legislative Research Department
Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 1568

Budget Page No. 335

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,546,674	\$ 2,345,074	\$ 51,087 *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 2,546,674</u>	<u>\$ 2,345,074</u>	<u>\$ 51,087</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,546,674</u></u>	<u><u>\$ 2,345,074</u></u>	<u><u>\$ 51,087</u></u>
State General Fund:			
State Operations	\$ 2,546,674	\$ 2,345,074	\$ 51,087 *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 2,546,674</u>	<u>\$ 2,345,074</u>	<u>\$ 51,087</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,546,674</u></u>	<u><u>\$ 2,345,074</u></u>	<u><u>\$ 51,087</u></u>
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>37.0</u></u>	<u><u>37.0</u></u>	<u><u>0.0</u></u>

* Excluding the adjustment for the Governor's pay plan \$60,318 (all from the State General Fund), the change by the Subcommittee would be an increase of \$111,405 above the Governor's recommendation.

AGENCY OVERVIEW

The Legislative Research Department provides research and fiscal analysis for the Legislature, its committees, and individual legislators. The Department provides staff for all legislative committees both during the session and the interim, including statutorily-created committees, *i.e.*, Legislative Budget Committee, State Building Construction, etc. The Legislative Coordinating Council appoints the Director of the Department, approves the

budget proposed for its operation, and generally establishes the broad policies under which the Department operates.

Agency Request/Governor's Recommendation

The agency requests \$2,546,674 for operating expenditures in FY 2001.

- The request is entirely financed from the State General Fund
- The request is an increase of \$108,372 or 4.4 percent from the revised FY 2000 amount
- The agency requests 37.0 FTE positions in FY 2001, the same as the current year

The Governor recommends \$2,345,074 for operating expenditures in FY 2001

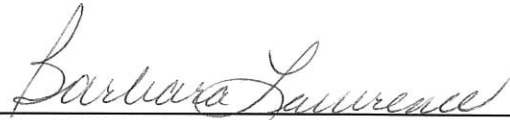
- The recommendation is entirely financed from the State General Fund
- The recommendation is a decrease of \$93,228 or 3.8 percent from the revised FY 2000 amount
- The Governor concurs with the agency request of 37.0 FTE positions
- The Governor does apply salary and wage shrinkage of \$111,431, in FY 2001. (No shrinkage is recommended in FY 2000.)

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustments:

1. Delete \$60,318 (all from the State General Fund) based on the recommendation to delete funding for the Governor's recommended pay plan adjustments (2.5 percent unclassified merit pool and longevity bonus payments). The Subcommittee notes that the Governor's recommendation did not include a 2.5 percent merit pool for those employees whose salaries are set by the Legislative Coordinating Council (LCC). Although such salary increases are dependent upon LCC approval, the Subcommittee recommends that financing be available for such salary increases, should they be granted. The Subcommittee recommends that once a final state employee salary adjustment decision is made by the 2000 Legislature, financing for these employees should also be included in any adjustment.
2. Add \$111,405 (all from the State General Fund) for salaries and wages for agency staff. The Governor for the first time in recent history, applied shrinkage of \$111,431 to the FY 2001 recommended amount. The Subcommittee notes with approval that the agency has been fully staffed (37.0 FTE positions) since November, 1998 and has not had any

employee turnover since that time. In recent years some members of the Legislature have expressed concern about the high turnover among Legislative Research Department staff, particularly among the agency's fiscal staff. Under the Governor's FY 2001 recommendation, salaries and wages account for slightly over 94.1 percent (\$2.2 million) of the budget. This leaves only \$139,501 or 5.9 percent for all other operating expenditures in FY 2001. In other words, the agency does not have much flexibility outside of salaries and wages to make the Governor's recommended adjustments. If the agency remains fully staffed and does not receive additional funding for salaries and wages, difficult decisions such as not granting any employee salary increases in FY 2001, furloughing employees or employee layoffs could be the result of the Governor's recommendation. The Subcommittee believes that the additional funding will be helpful in retaining legislative staff.



Senator Barbara Lawrence, Chairperson

Senator Christine Downey

Senate Subcommittee Report

Agency: Legislative Division
of Post Audit

Bill No.

Bill Sec.

Analyst: Conroy

Analysis Pg. No. 1586

Budget Page No. 333

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,728,988	\$ 1,610,044	\$ 3,303*
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 1,728,988</u>	<u>\$ 1,610,044</u>	<u>\$ 3,303</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,728,988</u></u>	<u><u>\$ 1,610,044</u></u>	<u><u>\$ 3,303</u></u>
State General Fund:			
State Operations	\$ 1,728,988	\$ 1,610,044	\$ 3,303*
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 1,728,988</u>	<u>\$ 1,610,044</u>	<u>\$ 3,303</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,728,988</u></u>	<u><u>\$ 1,610,044</u></u>	<u><u>\$ 3,303</u></u>
FTE Positions	21.0	21.0	0.0
Unclass. Temp. Positions	1.0	1.0	0.0
TOTAL	<u><u>22.0</u></u>	<u><u>22.0</u></u>	<u><u>0.0</u></u>

* Excluding the adjustment for the Governor's pay plan (\$35,928 all from the State General Fund), the change by the Subcommittee would be an increase of \$39,231 all from the State General Fund.

AGENCY OVERVIEW

The Legislative Division of Post Audit is the audit arm of the Kansas Legislature. The Division is responsible for financial-compliance and performance audits of state agencies and programs. The Division's audit work is conducted in accordance with generally accepted governmental auditing standards as set forth by the U.S. General Accounting Office. The agency operates under the supervision of the ten member Legislative Post Audit Committee.

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment # *4*

Agency Req./Governor's Recommendation

The agency requests \$1,728,988 for operating expenditures in FY 2001.

- The request is entirely financed from the State General Fund.
- The request is an increase of \$59,783 or 3.6 percent above the revised FY 2000 amount.
- The agency requests 21.0 FTE positions in FY 2001, the same amount as in the current year.

The Governor recommends \$1,610,044 for operating expenditures in FY 2001.

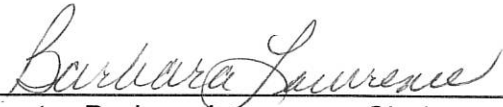
- The recommendation is entirely financed from the State General Fund.
- The Governor does apply salary and wage shrinkage of \$71,198 in FY 2001. No shrinkage is recommended in FY 2000.
- The recommendation is a decrease of \$59,161 or 3.5 percent below the revised Governor's FY 2000 amount.
- For FY 2001 the Governor recommends \$403,292 or \$35,258 less than the agency requested for other operating expenditures. The Governor recommends a reduction in fees-professional services (public accounting firms) of \$35,258.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustments:

1. Delete \$35,928 (all from the State General Fund) based on the recommendation to delete funding for the Governor's recommended pay plan adjustments (2.5 percent unclassified merit pool and longevity bonus payments). The Subcommittee notes that the Governor's recommendation did not include a 2.5 percent merit pool for those employees whose salaries are set by the Legislative Coordinating Council (LCC). Although, such salary increases are dependent upon LCC approval, the Subcommittee recommends that financing be available for such salary increases, should they be granted. The Subcommittee recommends that once a final state employee salary adjustment decision is made by the 2000 Legislature, financing for that employee within this agency should also be included in any adjustment.
2. Add \$39,231 (all from the State General Fund) for salaries and wages for agency staff. The Governor for the first time in recent history, applied

shrinkage of \$71,198 to the FY 2001 recommended amount. The Subcommittee notes currently, the agency has only two vacancies out a staff of 21.0 FTE positions. In recent years some members of the Legislature have expressed concern about the high turnover among Legislative Post Audit staff, particularly among the agency's performance auditors. Under the Governor's FY 2001 recommendation, salaries and wages account for almost 75.0 percent (\$1.2 million) of the budget. This leaves only \$403,292 or 25.0 percent for all other operating expenditures in FY 2001. However, of that amount \$312,950 is for essentially fixed costs, such as office rent, fixed-fee audit contracts, maintenance contracts and phone service. In other words, the agency does not have much flexibility outside of salaries and wages to make the Governor's recommended adjustments. The agency could maintain the current two vacant positions through the balance of FY 2000 and all of FY 2001. However, such action would make it difficult for some audits to be completed in a timely manner. If the agency does not receive additional funding for salaries and wages, difficult decisions such as not granting any employee salary increases in FY 2001 could be the result of the Governor's recommendation. The Subcommittee believes that the additional funding will be helpful in retaining legislative staff and ensuring that audits are completed in a responsive manner to the needs of the Legislature.



Senator Barbara Lawrence, Chairperson

Senator Christine Downey

Senate Subcommittee Report

Agency: Revisor of Statutes

Bill No.

Bill Sec.

Analyst: Conroy

Analysis Pg. No. 1595

Budget Page No. 385

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,450,302	\$ 2,400,835	\$ (53,229)*
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 2,450,302</u>	<u>\$ 2,400,835</u>	<u>\$ (53,229)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,450,302</u></u>	<u><u>\$ 2,400,835</u></u>	<u><u>\$ (53,229)</u></u>
State General Fund:			
State Operations	\$ 2,450,302	\$ 2,400,835	\$ (53,229)*
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 2,450,302</u>	<u>\$ 2,400,835</u>	<u>\$ (53,229)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,450,302</u></u>	<u><u>\$ 2,400,835</u></u>	<u><u>\$ (53,229)</u></u>
FTE Positions	26.0	26.0	0.0
Unclass. Temp. Positions	10.0	10.0	0.0
TOTAL	<u><u>36.0</u></u>	<u><u>36.0</u></u>	<u><u>0.0</u></u>

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan.

AGENCY OVERVIEW

The Office of Revisor of Statutes provides bill drafting and legal research services for all legislators, and the Legislative Coordinating Council. The agency is responsible for continuous statutory revision and supervising the computerized legislative information system involving bill status and bill typing. The Revisor of Statutes also provides staff services to the Interstate Cooperation Commission. The Office of Revisor of Statutes operates under the supervision of the Legislative Coordinating Council.

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment # *5*

Agency Req./Governor's Recommendation

The agency request for FY 2001 is \$2,450,302 (all from the State General Fund), which is an increase of \$99,139 or 4.2 percent above the FY 2000 estimate.

- The agency requests \$1,776,226 for salaries and wages, an increase of \$66,294 or 3.9 percent above the FY 2000 amount.
- The agency requests financing for 26.0 FTE positions, the same number as FY 2000.
- The agency requests \$674,076 (all from the State General Fund) for other operating expenditures in FY 2001.
 - The request is an increase of \$32,845 or 5.1 percent above the revised FY 2000 amount of \$641,231.
 - The request includes \$433,726 for printing costs for the publication of three replacement volumes for volumes 3 and 3A, cumulative supplements and the general index volume to the Kansas Statutes Annotated. The FY 2000 estimate for printing costs is \$414,031.
- The Governor concurs with the agency request for other operating expenditures in FY 2000. For FY 2001 the Governor recommends \$639,484 for other operating expenditures, a total of \$34,592 less than the agency requested in FY 2001.
 - The entire Governor's recommended adjustment in FY 2001 for other operating expenditures is in the area of printing. The Governor recommends \$399,134 for printing or \$34,592 less than the agency requested.

The Governor recommends \$2,400,835 (all from the State General Fund) in FY 2001, which is an increase of \$49,672 or 2.1 percent above the FY 2000 estimate.

- The Governor recommends \$1,761,351 for salaries and wages, an increase of \$51,419, or 3.0 percent above the FY 2000 estimate.
- The Governor recommends \$53,229 for longevity bonus payments and a 2.5 percent unclassified merit pool.
- The Governor concurs with the agency request for 26.0 FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustments:

1. Delete \$53,229 (all from the State General Fund) based on the recommendation to delete funding for the Governor's recommended pay plan adjustments (2.5 percent unclassified merit pool and longevity bonus payments). The Subcommittee notes that the Governor's recommendation did not include a 2.5 percent merit pool for those employees whose salaries are set by the Legislative Coordinating Council (LCC). Although, such salary increases are dependent upon LCC approval, the Subcommittee recommends that financing be available for such salary increases, should they be granted. The Subcommittee recommends that once a final state employee salary adjustment decision is made by the 2000 Legislature, financing for those employees within this agency should also be included in any adjustment.



Senator Barbara Lawrence, Chairperson

Senator Christine Downey

Senate Subcommittee Report

Agency: Legislative Coordinating Council

Bill No.

Bill Sec.

Analyst: Conroy

Analysis Pg. No. 1577

Budget Page No. 331

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 713,377	\$ 698,026	\$ (20,029)*
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 713,377</u>	<u>\$ 698,026</u>	<u>\$ (20,029)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 713,377</u></u>	<u><u>\$ 698,026</u></u>	<u><u>\$ (20,029)</u></u>
State General Fund:			
State Operations	\$ 713,377	\$ 698,026	\$ (20,029)*
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 713,377</u>	<u>\$ 698,026</u>	<u>\$ (20,029)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 713,377</u></u>	<u><u>\$ 698,026</u></u>	<u><u>\$ (20,029)</u></u>
FTE Positions	13.0	13.0	0.0
Unclass. Temp. Positions	1.0	1.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan.

AGENCY OVERVIEW

The Legislative Coordinating Council is responsible for coordinating the delivery of legislative services. The Council consists of the President of the Senate, the Speaker of the House, the Speaker Pro Tem of the House, and the majority and minority leaders of each chamber. The budget includes the compensation and expenses associated with Council meetings and the salaries and wages and travel expenses of the staff of the Division of Legislative Administrative Services.

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment # *6*

Agency Req./Governor's Recommendation

The agency requests \$713,377 for operating expenditures in FY 2001.

- The request is entirely financed from the State General Fund.
- The request is a reduction of \$3,915 or 0.6 percent from the revised FY 2000 amount.
- The agency requests 13.0 FTE positions in FY 2001, the same as the current year.
- No special studies or evaluations are requested in the budget year.


The Governor recommends \$698,026 for operating expenditures in FY 2001.

- The recommendation is entirely financed from the State General Fund.
- The recommendation is a reduction of \$19,266 or 2.7 percent from the revised FY 2000 amount.
- The Governor concurs with the agency request of 13.0 FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustments:

1. Delete \$20,029 (all from the State General Fund) based on the recommendation to delete funding for the Governor's recommended pay plan adjustments (2.5 percent unclassified merit pool and longevity bonus payments). The Subcommittee notes that the Governor's recommendation did not include a 2.5 percent merit pool for those employees whose salaries are set by the Legislative Coordinating Council (LCC). Although, such salary increases are dependent upon LCC approval, the Subcommittee recommends that financing be available for such salary increases, should they be granted. The Subcommittee recommends that once a final state employee salary adjustment decision is made by the 2000 Legislature, financing for that employee within this agency should also be included in any adjustment.



Senator Barbara Lawrence, Chairperson

Senator Christine Downey

Senate Subcommittee Report

Agency: Governor

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 1604

Budget Page No. 181

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,882,480	\$ 1,792,788	\$ (30,647) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 1,882,480</u>	<u>\$ 1,792,788</u>	<u>\$ (30,647)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,882,480</u></u>	<u><u>\$ 1,792,788</u></u>	<u><u>\$ (30,647)</u></u>
State General Fund:			
State Operations	\$ 1,882,480	\$ 1,792,788	\$ (30,647) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 1,882,480</u>	<u>\$ 1,792,788</u>	<u>\$ (30,647)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,882,480</u></u>	<u><u>\$ 1,792,788</u></u>	<u><u>\$ (30,647)</u></u>
FTE Positions	29.0	29.0	0.0
Unclassified Temp. Positions	2.9	2.9	0.0
TOTAL	<u><u>31.9</u></u>	<u><u>31.9</u></u>	<u><u>0.0</u></u>

* The entire adjustment reflects deletion of the Governor's employee pay plan.

AGENCY OVERVIEW

The *Kansas Constitution* provides that the Governor shall be the Chief Executive Officer of the state. The Governor is elected to a four-year term of office on a ticket which includes the Lieutenant Governor. Among the constitutional powers and duties exercised by the Governor are signing or vetoing acts of the Legislature, presenting an annual message to the Legislature on the condition of the state, submitting to the Legislature an annual state budget, and considering pardon of those convicted of criminal acts. The Governor also serves as chair of the State Finance Council and is, by virtue of the office, the Commander-in-Chief of the Kansas National Guard.

Senate Ways and Means Committee

Date February 14, 2000

Attachment # 7

Agency Request/Governor's Recommendation

The agency request for FY 2001 totals \$1,882,480, which is a reduction of \$57,983 or 3.0 percent below the FY 2000 estimate.

- State General Fund financing decreases \$51,483 or 2.7 percent
- Other funds (Conversion of Materials and Equipment Fund) decrease \$6,500
- Total FTE positions remain unchanged from the FY 2000 level at 29.0 FTE positions.

The Governor recommends \$1,792,788 for FY 2001 which is a decrease of \$128,335 or 6.7 percent below the Governor's FY 2000 recommendation.

- State General Fund financing decreases \$121,835 or 6.4 percent
- The Governor concurs with the agency request for other funds (\$0)
- The Governor recommends \$30,647 for his pay plan proposal which includes for this agency a 2.5 percent unclassified merit pool
- The Governor concurs with the agency request for 29.0 FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustment:

1. Delete \$30,647 (all from the State General Fund) based on the recommendation to delete funding for the Governor's recommended pay plan adjustments (2.5 percent unclassified merit pool).



Senator Barbara Lawrence, Chairperson

Senator Christine Downey

Senate Subcommittee Report

Agency: Lieutenant Governor

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 1614

Budget Page No. 341

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 131,770	\$ 125,537	\$ (1,660) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 131,770</u>	<u>\$ 125,537</u>	<u>\$ (1,660)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 131,770</u></u>	<u><u>\$ 125,537</u></u>	<u><u>\$ (1,660)</u></u>
State General Fund:			
State Operations	\$ 131,770	\$ 125,537	\$ (1,660) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 131,770</u>	<u>\$ 125,537</u>	<u>\$ (1,660)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 131,770</u></u>	<u><u>\$ 125,537</u></u>	<u><u>\$ (1,660)</u></u>
FTE Positions	3.0	3.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u><u>4.0</u></u>	<u><u>4.0</u></u>	<u><u>0.0</u></u>

* The entire adjustment reflects deletion of the Governor's employee pay plan.

AGENCY OVERVIEW

The *Kansas Constitution* provides for the popular election of the Lieutenant Governor. Since 1974, the Governor and Lieutenant Governor have been elected jointly to four-year terms. All duties of the Lieutenant Governor are assigned by the Governor. In addition, the Lieutenant Governor succeeds to the Office of Governor in the event that the office becomes vacant. The Lieutenant Governor is, by statute, a member of the State Election Board and may concurrently serve as a cabinet officer or department head.

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment # *8*

Agency Request/Governor's Recommendation

The agency request for FY 2001 operating expenditures is \$131,770 (all from the State General Fund), which is a reduction of \$51,303 or 28.0 percent below the revised current year estimate. The agency requests:

- Salaries and wages totaling \$90,954 which includes:
 - A partial salary of the Lieutenant Governor of \$10,609 (excluding fringe benefits)
 - Continued funding for two support positions (Administrative Assistant and a Secretary/Receptionist)
- Other operating expenditures total \$40,816, a reduction of \$53,421 or 56.7 percent below the revised current year estimate.
 - Travel and subsistence decreases \$36,930 or 57.6 percent from FY 2000.

The Governor recommends operating expenditures of \$125,537, a reduction of \$6,233 or 4.7 percent from the agency's request. The Governor recommends:

- Salaries and wages totaling \$90,530
 - A salary reserve of \$10,609 for the salary of the Lieutenant Governor, reflecting a partial year salary should the Lieutenant Governor stop serving as a cabinet secretary.
 - A 2.5 percent unclassified merit pool of \$1,660.
 - Includes adjustments to employee fringe benefits including the Worker's Compensation rate and a KPERs insurance moratorium resulting in a reduction of \$424 (State General Fund).
- Other operating expenditures totaling \$35,007, a reduction of \$5,809 or 14.2 percent below the agency's request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustment:

1. Delete \$1,660 (all from the State General Fund) based on the recommendation to delete funding for the Governor's recommended pay plan adjustments (2.5 percent unclassified merit pool).



Senator Barbara Lawrence, Chairperson

Senator Christine Downey

Senate Subcommittee Report

Agency: Secretary of State

Bill No. ----

Bill Sec. ----

Analyst: Hollon

Analysis Pg. No. 1489

Budget Page No. 387

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments*
State Operations:			
State General Fund	\$ 2,008,103	\$ 1,620,095	\$ (25,467)
Special Revenue Funds	1,661,328	1,529,357	(17,856)
TOTAL	\$ 3,669,431	\$ 3,149,452	\$ (43,323)
FTE Positions	56.0	54.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	56.0	54.0	0.0

* Entire reduction reflects the Governor's pay plan adjustments.

Agency Request/Governor's Recommendation

The agency requests operating expenditures of \$3,669,431 for FY 2001 which is a decrease of \$1,869,390 (33.8 percent) from the FY 2000 estimate. The request includes \$2,429,990 for salaries and wages, \$1,007,151 for contractual services, \$93,944 for commodities, and \$138,346 for capital outlay. The agency requests enhancements totaling \$250,462 (\$189,893 SGF) which include:

- Census Personnel - \$115,085 SGF;
- Reclassification of Employee Salaries - \$84,003 (\$50,397 SGF);
- New FTE Position in Information Technology - \$41,374 (\$24,411 SGF);
and
- Optical Imaging for the Notary Application - \$10,000 (fee funds).

The Governor recommends operating expenditures for FY 2001 of \$3,149,452 which is a decrease of \$2,366,492 (42.9 percent) from the FY 2000 recommendation. The recommendation includes \$1,931,395 for salaries and wages, \$1,007,151 for contractual services, \$93,944 for commodities, and \$116,962 for capital outlay. The Governor does not recommend the requested enhancements.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. Delete \$43,323 (\$25,467 SGF) for the unclassified merit pool.



Senator Barbara Lawrence, Chair



Senator Christine Downey

Senate Subcommittee Report

Agency: Attorney General

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 1558 Budget Page No. 73

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 8,879,679	\$ 8,620,160	\$ (112,261)*
Aid to Local Units	10,108,218	10,108,219	0
Other Assistance	4,000,000	4,000,000	0
TOTAL	<u>\$ 22,987,897</u>	<u>\$ 22,728,379</u>	<u>\$ (112,261)</u>
State General Fund:			
State Operations	\$ 5,704,029	\$ 5,293,077	\$ (72,647)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 5,704,029</u>	<u>\$ 5,293,077</u>	<u>\$ (72,647)</u>
FTE Positions	90.8	90.0	--
Unclassified Temp. Positions	14.0	14.0	--
TOTAL	<u>104.8</u>	<u>104.0</u>	<u>--</u>

* Includes a reduction of \$112,261 (\$72,647 from the State General Fund) for the Governor's employee salary adjustments.

Agency/Governor's Recommendation

The Attorney General requests a total of \$22,987,897 from all funds. The amount of money from the State General Fund that is requested is \$5,704,029, a decrease of \$208,182 from the current year. The reduction is accounted for primarily by lower expenditures for water litigation with Colorado (\$775,000 estimated for FY 2001 compared to \$1,420,281 in FY 2000). The Governor's recommendation for expenditures from the State General Fund reduces the Attorney General's request by \$410,952. Recommended State General Fund reductions include holding a Criminal Prosecutor position in the Criminal Litigation Program vacant during FY 2001 (for a savings of \$47,947), shifting \$157,500 in expenditures from the State General Fund to the Court Cost Fund (consumer protection recoupments), and reducing water litigation funding by a total of \$175,941 (\$51,500 for Colorado and \$124,441 for Nebraska).

Senate Ways and Means Committee

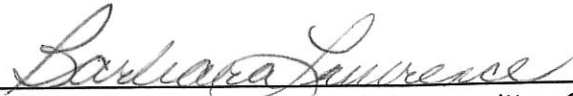
Date *February 14, 2000*

Attachment # *10*

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exception and comments:

1. Delete \$112,261, of which \$72,647 is from the State General Fund, based on the decision to delete funding for the Governor's recommended pay plan adjustments. The adjustment is for a 2.5 percent merit pool for unclassified employees.
2. The Subcommittee reviewed expenditures and balances in the Court Cost Fund (consumer protection recoupments) and notes that the Governor, as part of his recommendations for FY 2001, shifted \$157,500 in expenditures from the State General Fund to the Court Cost Fund. His recommendation continues a recent practice of the Legislature to maximize resources in the special revenue fund in order to reduce reliance on the State General Fund. (The Legislature shifted expenditures from the State General Fund to the Court Cost Fund by \$250,000 in FY 1997, \$200,000 in FY 1998, and \$50,000 in FY 1999.) Evidence of the greater reliance on the Court Cost Fund is that expenditures from the Fund have been increasing: Actual expenditures were \$392,036 in FY 1999 and estimated expenditures are \$428,858 in FY 2000 and \$601,655 in FY 2001 (Governor's recommendation). Balances in the Fund for FY 1999 and FY 2000 were \$340,700 and \$511,842, respectively. Under the Governor's recommendation, balances at the end of FY 2001 will decline to \$210,187, which the Subcommittee believes is a prudent amount to maintain in order to ensure that the consumer protection division will have adequate resources to operate during the next fiscal year. Under the Governor's recommendation for FY 2001, \$213,625 from the Court Cost Fund is for salaries and \$388,030 is for other operating expenditures, including \$79,700 for the consumer protection division's share of rent in the Memorial Building.
3. As the remedies and damages phase of water litigation against Colorado nears completion, the Subcommittee encourages the Attorney General to be particularly forceful in insisting on whatever safeguards are necessary to ensure a high quality of water flowing into Kansas from Colorado. After decades of contentiousness with Colorado over water, including more than 15 years of state-funded litigation against that state, the importance of Colorado complying with whatever agreement the U.S. Supreme Court approves cannot be overstated. Kansas has waited a long time for this dispute to be resolved and Kansans expect that not only will the supply of water be adequate, but that it will be of high quality.



Senator Barbara Lawrence, Subcommittee Chair



Senator Christine Downey

Senate Subcommittee Report

Agency: State Treasurer

Bill No. ???

Bill Sec. ???

Analyst: West

Analysis Pg. No. 1,473

Budget Pg. No. 447

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 3,715,150	\$ 3,591,218	\$ (31,460)
Aid to Local Units	125,919,853	108,429,360	(158,100)
Other Assistance	0	0	0
TOTAL	<u>\$ 129,635,003</u>	<u>\$ 112,020,578</u>	<u>\$ (189,560)</u>
State General Fund:			
State Operations	\$ 2,363,865	\$ 2,259,468	\$ (9,962)
Aid to Local Units	106,319,000	88,828,507	\$ (158,100)
Other Assistance	0	0	0
TOTAL	<u>\$ 108,682,865</u>	<u>\$ 91,087,975</u>	<u>\$ (168,062)</u>
FTE Positions	55.5	54.5	1.0
Unclass. Temporary Positions	5.0	5.0	0.0
TOTAL	<u>60.5</u>	<u>59.5</u>	<u>1.0</u>

* Includes a reduction of \$53,374 (\$31,876 State General Fund) for the Governor's state employee salary adjustment. Absent this reduction, the Subcommittee's recommendation is a reduction of \$136,186 from the budget submitted by the Governor.

Agency Req./Governor's Recommendation

State Operations

The agency requests an FY 2001 state operations budget of \$3.7 million, a decrease of \$127,322 (3.3 percent) from the current year. Requested State General Fund financing of \$2.4 million represents an decrease of \$131,864 (5.3 percent) from the current year. The decrease is primarily associated with one time current year remodeling expenses. The request includes \$237,500 to support the Postsecondary Education Savings program, the same amount as the current year. The request also includes \$21,250 as an enhancement to improve the State Treasurer's ability to continue operations should the Landon State Office Building become non-operational.

The Governor recommends an FY 2001 state operations budget of \$3.6 million, a decrease of \$163,754 (4.4 percent) from the current year. Recommended **State General Fund** financing of \$2.3 million represents a decrease of \$148,761 (6.2 percent) from the

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment #

11

current year. Recommended **special revenue** financing of \$1.3 million represents a decrease of \$14,993 (1.1 percent) from the current year. Recommended **salaries and wages** of \$2.2 million are a decrease of \$53,182 from the agency's request, reflecting revised fringe benefit costs and the elimination of a clerical position in the Postsecondary Education Savings program. Recommended **other operating expenditures** total \$1.4 million, a net decrease of \$70,750 from the agency's request. Capital outlay is reduced by \$58,250, banking fees by \$25,000, and \$12,500 is added for advertising expenses in support of the Postsecondary Education Savings program.

Local Aid

The agency's estimate for payments to local units of government totals \$125.9 million, an increase of \$12.2 million (10.7 percent) from the current year.

- **Demand Transfers.** The demand transfers to local units of government are estimated by the Consensus Revenue Estimating Group to total \$106.3 million in FY 2001. **Local Ad Valorem Tax Reduction Fund (LAVTRF)** payments are estimated to be \$60.3 million, a \$2.2 million (3.8 percent) increase from the current year. **County and City Revenue Sharing Fund (CCRSF)** payments are estimated to total \$46.0 million, an \$9.1 million (24.6 percent) increase from the current year. Both estimates assume current law and do not reflect any caps on the growth of expenditures.
- **Special revenue fund** payments to local units of government are estimated to total \$19.6 million in FY 2001, an increase of \$872,849 (4.7 percent) from the current year. The majority of the increases are associated with the Rental Motor Vehicle Excise Tax (\$502,607) and the Local Alcoholic Liquor Fund (\$325,782).

The Governor recommends \$108.4 million for payments to local units of government, a reduction of \$5.3 million (4.7 percent) from the current year.

- **Demand Transfers.** The demand transfers to local units of government are recommended by the Governor to total \$88.8 million. **The Governor recommends that the demand transfers to the CCRSF and the LAVTRF be limited to an amount 6.5 percent below current year payments.**

The Governor concurs with the agency's estimates of \$19.6 million for special revenue fund payments to local units of government in FY 2001.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations, with the following adjustments:

1. Delete \$53,374 (including \$31,876 from the State General Fund) to remove funding recommended by the Governor for classified step movement, longevity pay, and unclassified merit pay.
2. As a technical adjustment, reduce transfers to the Local Ad Valorem Tax Reduction Fund by \$158,100. Actual FY 2000 transfers total \$57.9 million, \$169,092 less than the Governor's estimate. This in turn would reduce the FY 2001 transfer by \$158,100. The Subcommittee understands that there is a Governor's Budget Amendment pending on this matter. The Subcommittee notes that the current year savings should be considered in the Omnibus bill.
3. Restore \$21,914 from the State General Fund and 1.0 FTE position associated with the clerical position deleted by the Governor from the Postsecondary Education Savings Program. The Subcommittee notes that this position was included in the program when initially approved by the Legislature. With the program starting July 1, 2000, the Subcommittee does not wish to hamper the program's operations by removing all clerical support.



Senator Barbara Lawrence
Subcommittee Chair


Senator Christine Downey

MINORITY REPORT

OFFICE OF THE STATE TREASURER

FY 2001

While I concur with the Subcommittee's recommendation which restores the clerical position to the Postsecondary Education Savings program, I can not endorse a budget that includes the 6.5 percent reduction in payments from the Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund. While I realize that budgets are tight, I question the wisdom of balancing the state budget on the backs of our local units of government with a \$17.5 million reduction from what should be provided under Kansas law.


Senator Christine Downey

Senate Subcommittee Report

Agency: Insurance Department

Bill No. ---

Bill Sec. ---

Analyst: Severn

Analysis Pg. No. 1542

Budget Page No. 263

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
Special Revenue Funds			
State Operations	\$ 10,087,703	\$ 9,847,037	\$ (75,304) *
Aid to Local Units	5,813,365	5,813,365	0
Other Assistance	10,500,000	10,500,000	0
Subtotal - Operating	\$ 26,401,068	\$ 26,160,402	\$ (75,304)
Capital Improvements	143,500	143,500	0
TOTAL	\$ 26,544,568	\$ 26,303,902	\$ (75,304)
FTE Positions	159.0	159.0	0.0
Unclassified Temp. Positions	2.0	2.0	0.0
TOTAL	161.0	161.0	0.0

* A reduction of \$193,804 from special revenue funds, for the Governor's employee salary adjustment, is partially offset by the addition of \$118,500 for an imaging system.

Agency Request/Governor's Recommendation

The agency's request for FY 2001 operating expenditures of \$26,401,068 is an increase of \$334,368 or 3.6 percent from the FY 2000 estimate. The request includes an increase of \$140,126 in aid to local units (Firefighters' Relief Fund payments) which result from higher estimates of premiums taxes.

The agency requested staffing of 159.0 FTE, a decrease of 5.5 FTE, because there is a lower need for clerical positions as a result of computerization and other technological equipment in the insurance company examination program, the agency's principal administrative arm. The agency also requested \$118,500 for further implementation of its imaging system in FY 2001

The Governor recommends expenditures of \$26,160,402 for FY 2001. The Governor's recommendation for salaries and wages is \$7,135,229, which is \$228,634 below the agency request. The Governor increased the turnover rate and recalculated fringe

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment # *12*

benefits. The Governor did not recommend any expenditures for the imaging system. The Governor's employee salary adjustment was \$193,804.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following exceptions:

1. Delete \$193,804 (special revenue funds) for the Governor's recommended FY 2001 employee pay plan adjustment.
2. Add \$118,500 for the imaging system.



Senator Barbara Lawrence, Chair

Senator Christine Downey

Senate Subcommittee Report

Agency: Health Care Stabilization
Fund

Bill No. ---

Bill Sec. —

Analyst: Severn

Analysis Pg. No. 1507

Budget Page No. 215

Expenditure Summary	Agency Request FY 01	Governor's Rec. FY 01	Senate Subcommittee Adjustments
Special Revenue Funds			
State Operations	\$ 4,056,449	\$ 4,050,749	\$ (17,142) *
Other Assistance	26,011,000	26,011,000	0
TOTAL	<u><u>\$ 30,067,449</u></u>	<u><u>\$ 30,061,749</u></u>	<u><u>\$ (17,142)</u></u>
FTE Positions	16.0	16.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>16.0</u></u>	<u><u>16.0</u></u>	<u><u>0.0</u></u>

* The reduction of \$17,142 from special revenue funds is entirely for the Governor's employee salary adjustment.

Agency Request/Governor's Recommendation

The agency's request is for FY 2001 operating expenditures for state operations of \$4,056,449 and other assistance (claims payments) of \$26,011,000, for total expenditures of \$30,067,449.

The Governor recommends salaries and wages expenditures of \$5,700 less than the agency request due to recalculating fringe benefits. The recommendation includes \$17,142 for the Governor's employee salary adjustment. The Governor concurs with the agency request for other operating expenditures and claims payments.

Senate Subcommittee Recommendation

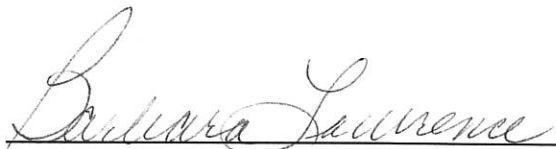
The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$17,142 (special revenue funds) for the Governor's recommended FY 2001 employee pay plan adjustment.

Senate Ways and Means Committee

Date *February 14, 2000*

Attachment # *13*



Senator Barbara Lawrence, Chair

Senator Christine Downey